



# Folkestone

MAXIM ASSET MANAGEMENT

## FOLKESTONE MAXIM A-REIT SECURITIES FUND

ARSN 116 193 563

### PRODUCT DISCLOSURE STATEMENT

Issued 11 June 2014

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The **Responsible Entity** of the Folkestone Maxim A-REIT Securities Fund is **One Managed Investment Funds Limited**  
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AFSL 297042

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#### IMPORTANT INFORMATION

*This product disclosure statement ("PDS") contains a summary of significant information in relation to the Folkestone Maxim A-REIT Securities Fund ARSN 116 193 563 ("Fund"). You should read and consider this PDS before making a decision whether to invest in the Fund.*

*The information provided in this PDS is general in nature and does not take into account your personal financial situation or needs. Investors should seek independent financial advice tailored to their own personal needs and circumstances before making a decision whether to invest in the Fund. Investments in the Fund can only be made by someone receiving this PDS (including an electronic version) in Australia. If you are in possession of this PDS outside Australia, you should seek advice about restrictions on investing. Failure to comply with relevant restrictions may violate laws. A paper copy of this PDS may be obtained free of charge by calling One Managed Investment Funds Limited on 02 8277 0001.*

*Capitalised terms used in this document have the same meaning given to those terms in the Glossary set out at the end of this PDS.*

#### UPDATED INFORMATION

*Information in this PDS is subject to change from time to time and may be updated by us if it is not materially adverse. Please check the website [www.folkestone.com.au](http://www.folkestone.com.au) or call your financial adviser or OMIFL for updated information before investing. A paper copy of any updates will be provided free of charge on request.*

## 1. ABOUT ONE MANAGED INVESTMENT FUNDS LIMITED

### The Responsible Entity

One Managed Investment Funds Limited ("OMIFL") is the holder of AFSL 297042 issued by ASIC. OMIFL has extensive experience as a corporate trustee and custodian, and is a professional responsible entity operating numerous schemes.

OMIFL is the responsible entity of the Fund and issuer of this PDS and of Units in the Fund. OMIFL's role is to manage and administer the Fund in accordance with the Constitution and the Corporations Act in the interests of Investors. OMIFL also holds the assets of the Fund on trust for Investors.

### The Investment Manager

OMIFL has appointed Folkestone Maxim Asset Management Limited ("Folkestone Maxim") as the investment manager for the Fund. Folkestone Maxim holds AFSL 238349 issued by ASIC.

Folkestone Maxim is a boutique real estate investment manager, specialising in A-REIT securities and real estate debt. It was founded in 2003 and acquired by Folkestone Limited ("Folkestone") in April 2014.

Folkestone is an ASX listed (ASX: FLK) real estate funds manager and developer providing real estate wealth solutions to private clients and select institutions.

Folkestone's funds management platform offers listed and unlisted real estate funds to investors across income, value add and opportunistic (development) real estate investments. Folkestone's on balance sheet activities focus on value add investments and developments.

Folkestone has more than \$765 million in funds under management as at 1 June 2014.

Winston Sammut, the manager responsible for managing the Fund, has in excess of 30 years' investment management experience.

Please see Section 5 of this PDS for more information.

## 2. HOW THE FUND WORKS

### Structure of the Fund

The Fund is a managed investment scheme which is structured as a unit trust. This means that as an Investor you have a fixed beneficial interest in the assets of the Fund calculated as the proportion your Unit holding bears to all of the Units in the Fund which have been issued. You do not however have a right to demand that any particular assets of the Fund be transferred to you. ASIC has a website [www.moneysmart.gov.au](http://www.moneysmart.gov.au) that has more information on managed investment schemes.

### Prices of your Units

When you invest in the Fund you will be issued Units at the prevailing issue price. When you withdraw from the Fund your Units are redeemed at the prevailing withdrawal price. The issue price and the withdrawal price of your Units are determined on each Business Day. In summary, the price per Unit is determined by dividing the net asset value of the Fund by the number of Units on issue. The Unit price may therefore be

influenced by movements in the value of the Fund's Investments at a particular point in time. In other words, the Unit price may vary as the market value of the Fund's Investments rises and falls.

When buying or redeeming Units, the Unit price you pay or receive will also be adjusted on account of the buy-sell spread. The buy-sell spread is an adjustment which takes into account any buying and selling costs associated with the underlying assets of the Fund (e.g. brokerage). See Section 6 for further information. For a copy of OMIFL's Unit Pricing Policy, please contact OMIFL. Unit prices will be displayed on Folkestone Maxim's website – [www.folkestone.com.au](http://www.folkestone.com.au).

### Minimum Investment

The minimum investment you may make in the Fund is \$5,000. Subsequently, amounts in addition to this minimum investment may be contributed in amounts of no less than \$100.

### Applications

When making your initial application you must complete an Application Form which accompanies this PDS and can be found at [www.folkestone.com.au](http://www.folkestone.com.au) or [www.oneinvestment.com.au](http://www.oneinvestment.com.au). See Section 8 on how to apply. You can increase your investment at any time by making an application for additional Units in the Fund. OMIFL reserves the right to accept or reject any applications for Units.

Applications will only be processed on a Business Day. The cut-off time each Business Day for receiving applications is 2.00pm Sydney time. Completed applications received before the cut-off time will be processed using the issue price on that day. Applications received after that time, or on a non-Business Day, will be taken to have been received before the cut-off time on the next Business Day and will be processed using the issue price on that day.

Confirmation of an investment will normally be issued within 5 Business Days after the application is processed.

### Withdrawals

The Investment Manager recommends that you keep your investment in the Fund for a minimum period of 3 years in order to maximise returns.

When the Fund is 'liquid' (as defined in the Corporations Act), you may make withdrawal requests for all or part of your investment in accordance with the procedure set out in the Constitution.

A withdrawal request may be made by submitting a written request to redeem all or part of your units to the Administrator.

Withdrawals will only be processed on a Business Day. Withdrawal requests received before 2.00pm Sydney time on a Business Day will generally be processed using the withdrawal price applicable for that day. Withdrawal requests received after that time, or on a non-Business Day, will generally be processed using the withdrawal price applicable for the next Business Day.

Withdrawal proceeds are usually paid within 7 days after the withdrawal request is received and are paid by direct credit to your nominated Australian financial institution account.

In certain circumstances, such as a freeze on withdrawals or where the Fund is 'illiquid' (as defined in the Corporations Act), you may have to wait a longer period of time before you can redeem your investment. Circumstances where there may be a freeze on withdrawals include where it is impracticable to determine the withdrawal price, where satisfaction of all withdrawal requests would involve realisation of a significant amount of the Fund's Investments or where the Responsible Entity reasonably considers it is in the best interests of Investors.

## Income Distributions

The distributable income payable to Investors is generated from the net earnings of the Fund.

All distributable income to which you would otherwise be entitled will be automatically reinvested into the Fund on your behalf (and additional Units issued to you in consideration for this reinvestment), unless you give us written notice that your income entitlement, or any part of that income entitlement, is to be paid to you. Investors should be aware that there may be tax implications associated with the reinvestment of your income entitlement. Investors should obtain professional tax advice on this issue before investing in the Fund and make their own arrangements for any tax liabilities that arise.

Your entitlement to distributable income is calculated quarterly based on your Unit holding in the Fund as at 31 March, 30 June, 30 September and 31 December in each year and on the winding up of the Fund. Units issued for reinvested distributions will be issued on, and at the Unit price prevailing on, the final day of the relevant distribution period. No buy spread applies to Units issued to you as a result of reinvestment of your income entitlement. Income (if any) to which you are entitled will normally be paid to you within 20 Business Days after the distribution date or when possible following the winding up of the Fund.

Your entitlement to distributable income is calculated by determining the income of the Fund for the period after allowing for all expenses incurred by the Fund; and dividing the distributable income for that period by the number of Units on issue on that day to determine the income per Unit; and then multiplying the income per Unit by the number of Units you hold.

Investors should be aware that an investment in the Fund carries the risk that you may lose some or all of your investment (see Section 4 of this PDS).

## Investing through an IDPS

OMIFL consents to the use of this PDS by IDPS operators that include the Fund on their investment menu. If you invest in the Fund through an IDPS, the IDPS operator will hold Units in the Fund on your behalf. This means that the IDPS operator is the Investor and has an Investor's rights. The IDPS operator can exercise, or decline to exercise, their rights as an Investor in accordance with the arrangements governing the IDPS. Investors in the Fund via an IDPS should note that some information in this PDS may be relevant only for direct Investors.

## 3. BENEFITS OF INVESTING IN THE FUND

### Significant Features

The Fund invests in an actively managed and diversified portfolio of predominantly Australian listed real estate investment trusts ("A-REITs") and real estate related securities. The Fund also has the ability to invest up to 10% of the Fund's assets in international listed real estate securities as well as up to 10% in cash.

### Significant Benefits

An investment in the Fund offers the following significant benefits:

- **access to a high conviction active investment strategy**, with focused research and investment processes, that seek to provide higher returns with lower volatility than the market by building a portfolio based on individual merit and not by benchmark weights
- **access to the extensive experience of the Investment Manager** to manage the Fund's investments as well as access to Folkestone's direct real estate experience
- **exposure to real estate** as the Fund provides access to a diversified portfolio of quality ASX listed real estate securities which own office, retail, industrial, residential and real estate related social infrastructure assets
- **a capacity limit** of 1.0% of the market capitalisation of the S&P/ASX 300 A-REIT Index to enable the Fund to take active positions in smaller securities and allow more efficient management of re-weightings between individual securities
- **distributions are paid quarterly** or can be reinvested into your investment in the Fund.

## 4. RISKS OF MANAGED INVESTMENT SCHEMES

All investments carry risk. Managed investment schemes may invest in a range of asset classes, for example, cash, bonds, equities and real estate, each of which offer different levels of risk. The likely investment return, and the level of risk of losing money, differs among managed investment schemes depending on the underlying strategy and mix of assets. Typically, those assets with the highest potential long-term return also have the highest level of short-term risk.

When considering investing in any managed investment scheme, it is important to understand that:

- (a) the value of your investment will go up and down;
- (b) returns are not guaranteed;
- (c) you may lose some or all of your money;
- (d) the level of returns will vary, and past performance and returns are not an accurate predictor of future performance and returns;
- (e) laws affecting your investment in a registered managed investment scheme may change; and
- (f) the appropriate level of risk for you will depend on a range of factors including your age, investment time frame, where other parts of your wealth are invested and how tolerant you are to the possibility of losing some of your money.

- (g) When deciding whether to invest in this Fund, you must decide whether, given the speculative nature of trading undertaken by the Investment Manager and the Fund's underlying investments, your financial situation permits you to participate in an investment that involves a high degree of risk. You may lose a substantial portion or even all of the money you invest in the Fund.

Risk can be managed but it cannot be completely eliminated. Some of the significant risks of an investment in the Fund are:

- (a) **Market risk:** The risk that the market price of an asset will fluctuate as a result of factors such as economic conditions, government regulations, market sentiment, local and international political events and environmental and technological issues. Market risks may have different impacts on each type of asset, investment style and investor.
- (b) **Security specific risk:** The risk associated with an individual asset. The price of A-REITs may be affected by unexpected changes in that entity's operations such as changes in management, the loss of a significant customer or tenant or a change in the income or the value of the assets in which they invest.
- (c) **Liquidity risk:** The risk that an investment may not be easily converted into cash with little or no loss of capital and minimum delay. This may cause a delay or freeze in processing withdrawal requests.
- (d) **Derivatives risk:** Folkestone Maxim may use Derivatives for hedging, tactical, transactional and/or cost reasons to reduce risk when Folkestone Maxim thinks it appropriate. Risks associated with using these tools might include the value of the Derivative failing to move in line with the underlying asset and potential illiquidity of the Derivative. Typically the Derivatives used by Folkestone Maxim will be limited to call and put options listed on the ASX and should therefore not expose the Fund to third party risk. It is not proposed to invest in over-the-counter Derivatives.
- (e) **Interest rate risk:** Changes in interest rates can have a positive or a negative impact directly or indirectly on investment values and/or returns of securities in which the Fund invests.
- (f) **International investing risk:** The risks of investing internationally include adverse currency fluctuations, potential political and economic instability affecting overseas markets, limited liquidity and volatile prices of international investments and repatriation of funds. It is not our intention to hedge the foreign currency exposure of the Fund arising from investments in overseas markets. Further, the Australian entities in which the Fund invests may have investments overseas which also exposes these Fund investments to these international investing risks.
- (g) **Manager risk:** The financial performance of the Fund depends primarily on the level of skill and performance of Folkestone Maxim and the successful implementation of the investment strategy. There is a risk that the Investment Manager may make poor investment decisions or that its investment methods are inappropriate or incorrect resulting in poor or nil returns.

## 5. HOW WE INVEST YOUR MONEY

You should consider the Fund's investment objective, the Fund's likely investment return, risk level, your individual circumstances and your time frame before choosing to invest in the Fund. The minimum suggested investment time frame is 3 years.

### Description of the Fund

The Fund will give you exposure to a varying mix of listed A-REITs across but not limited to the retail, residential, commercial, hotel, industrial and real estate related social infrastructure sectors. The Fund may also invest in a selected range of other assets including listed real estate related securities, international listed real estate securities, cash and fixed interest. Folkestone Maxim will make decisions about buying and selling investments of the Fund daily (often called active management), selecting individual investments and also changing the mix of the types of investments.

### Investment Return Objective

The aim is to outperform the S&P/ASX 300 A-REIT Accumulation Index by 1.5% p.a. over rolling 3 year periods whilst also aiming to achieve a balance between growth in the value of your Units as well as income from your investment. The returns from the Fund are not guaranteed.

### Investment Strategy

Folkestone Maxim utilises a disciplined investment process combining in-depth fundamental research with disciplined portfolio construction and risk controls to add consistent value over time. The basic premise of Folkestone Maxim's investment philosophy is that there is a close relationship between the real estate market cycle and the economic cycle.

Having regard to what is happening in the Australian economy, Folkestone Maxim expects that some of the real estate sub-sectors (e.g. commercial, industrial and retail) are likely to offer better value than others. Accordingly, the Investment Manager's top down research focuses on identifying those sub-sectors which are likely to add value.

At the security level, quantitative and qualitative factors are utilised to identify real estate securities which:

- have clearly focused management teams;
- have quality assets;
- are appropriately valued;
- have sustainable earnings and distribution growth; and
- have an appropriate corporate and capital structure.

With both global and local research, Folkestone Maxim uses its own proprietary model as well as the services of other analysts to identify investments it considers worthwhile.

Folkestone Maxim will actively adjust the investment mix within the investment guideline ranges below. The "target" position is the start position for formulating the portfolio structure. Generally speaking, the target position is intended to be the investment mix of the Fund.

	Min	Max	Target
Australian Listed REITs and Listed Real Estate Developers and Managers	80%	100%	95%
International Listed REITs	0%	10%	0%
Cash and Fixed Interest	0%	10%	5%

The investment mix can change within the ranges significantly and sometimes quickly. Market movements, cash flows and changes in the nature of an investment amongst other things may cause the investment mix of the Fund to move outside the above investment guideline ranges. If this occurs, Folkestone Maxim will seek to rectify the position as soon as reasonably practicable and the temporary variance will not constitute a breach of the Fund's investment guidelines. Sometimes Folkestone Maxim may make investments through other funds and entities.

Folkestone Maxim may use Derivatives to reduce risk when deemed appropriate. Derivatives are contracts that call for money to change hands at some future date, with the amount to be determined by agreed criteria. For example, a contract might specify that one person can buy an item from the other at today's price in six months' time, regardless of the market price at that time. Folkestone Maxim will not use Derivatives speculatively, and when they are used Folkestone Maxim will make sure that all of the associated obligations can be paid from the assets of the Fund.

As at the date of this PDS, the Fund currently holds two investments in unlisted real estate securities which represent 0.1% of the portfolio. Post the date of this PDS, the Investment Manager does not intend to invest in any further unlisted real estate securities.

## Other Investment Considerations

Folkestone Maxim does not take labour standards or environmental, social or ethical considerations into account when making investment decisions. However, such issues may affect the financial performance of an investment and any such financial effect would influence investment decisions.

## Risk Level

Medium, when an investment in the Fund is held for at least 3 years.

The risk of loss over the short term (less than 3 years) is high when compared to managed investment schemes invested in asset classes such as cash or fixed interest securities. However, the Fund aims to produce more favourable returns with lower than associated market volatility for periods of time over the medium to long term than cash or fixed interest securities, which is why the minimum suggested timeframe for an investment in the Fund is at least 3 years.

## Changes to Fund Details

We have the right to make changes to the Fund at any time, and in some cases without prior notice. This could include closing or terminating the Fund, changing the Fund's investment manager, amending its investment parameters, including the investment objective and strategy, or changing the asset class allocation ranges and currency strategy (if applicable). We will inform you about any material change to the Fund's details in your next regular communication or as otherwise required by law.

## 6. FEES AND COSTS

### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your Fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Fund or your financial adviser.

### TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your circumstances, the Australian Securities and Investments Commission (ASIC) website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed investment fee calculator to help you check out the different fee options. The calculator may be used to calculate the effect of fees and costs on your investment.

The table below shows fees and other costs that you may be charged. These fees and costs may be deducted from the money you invest, from the returns on your investment or from the Fund's assets as a whole. The fees set out in the table below show the effect of GST (i.e. inclusive of GST less the available RITC). You should read all the information about fees and costs as it is important to understand their impact on your investment. The information in the table may be used to compare costs between different simple managed investment schemes.

Type of Fee or Cost	Amount
Fees when your money moves in or out of the Fund	
Establishment fee	Nil
Contribution fee	Nil
Withdrawal fee	Nil
Termination fee	Nil
Management costs	
The fees and costs of managing your investment	<p>The management fee is payable out of the Fund's assets to the Investment Manager as follows:</p> <ul style="list-style-type: none"> <li>• 0.95% p.a. of the gross asset value of the Fund up to and including \$50 million; plus</li> <li>• 0.85% p.a. of the gross asset value of the Fund in excess of \$50 million.</li> </ul>

## Costs and Expenses in Managing the Fund

The Constitution allows OMIFL to recover expenses incurred in the proper administration of the Fund.

Until further notice, all ordinary expenses and costs incurred in respect of the operation of the Fund will be paid for by the Investment Manager out of management fees paid to it from the Fund.

Extraordinary expenses are, by their nature, unpredictable and non-recurring. All extraordinary expenses will be paid out of, or reimbursable from, the assets of the Fund. Examples of extraordinary expenses include, but are not limited to:

- convening a meeting of Investors;
- commencing or defending litigation proceedings;
- termination of the Fund;
- replacement of the Responsible Entity; or
- amending the Constitution or other Fund documentation.

The Constitution provides that an annual management fee of up to 3.0% per annum of the gross asset value of the Fund. OMIFL, by agreement with Folkestone Maxim, has currently reduced this fee to the amount set out in the table above.

The management fee is calculated daily, is accounted for in the Unit price of your investment and is paid monthly in arrears.

Management fees are deducted directly from the Fund assets as a whole.

## Buy-Sell Spread

The current buy/sell spread for the Fund is +0.25%/–0.25%. The buy-sell spread reflects our estimate of the transaction costs in buying and selling underlying financial products as a result of investments in, and withdrawals from the Fund. These include fees such as brokerage fees charged by brokers which the Investment Manager uses to execute its trades. The purpose of the buy-sell spread is to ensure that those Investors transacting in the Fund's Units at a particular time bear the costs of buying and selling the Fund's assets as a consequence of their transaction. The buy-sell spread is an additional cost to Investors but is not a fee paid to any party; rather it is retained as an asset of the Fund. The buy-sell spread may change from time to time.

## Changes to Fees

The fees and costs may change subject to the maximum limits specified in the Constitution. Reasons might include changing economic conditions and changes in regulation. Investors will be advised of any increase to fees and costs at least 30 days prior to the changes taking effect, allowing time for a withdrawal option to be executed if desired.

## Fees Paid to a Financial Adviser

**If you have a financial adviser, then you may also have to pay additional fees to your adviser.**

Details of those fees should be set out in the Statement of Advice given to you by your adviser.

## Example of Annual Fees and Costs for the Fund

The table below gives an example of how the fees and costs of the Fund can affect your investment over a one year period. You can use this table to compare this product with other managed funds.

Example –		Balance of \$50,000 with a contribution of \$5,000 during a year.
Contribution fees	Nil	You will not be charged a contribution fee
<b>PLUS Management Costs</b>	0.95% p.a. of the gross asset value of the Fund up to and including \$50 million plus 0.85% p.a. of the gross asset value of the Fund in excess of \$50 million*	<b>And</b> , for every \$50,000 you have in the Fund, you will be charged \$475 each year**
<b>EQUALS</b> cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of: <b>\$475 to \$522.50 for that year**</b>

Please note that this example does not capture all of the costs and fees that may apply to you – for example it does not take into account the buy/sell spread.

\* Unless otherwise stated all fees and costs are quoted inclusive of GST and net of any RITC as applicable. Where available, the RITC rate is currently 55% or 75%, depending on the nature of the fee or costs incurred. Due to the impact of GST and RITC calculations, actual fees may vary slightly from those stated, which may be rounded to two decimal places.

\*\* The above tables assume the gross asset value of the Fund is \$50 million and that the Fund has no borrowings. On the basis of these assumptions, this equates to an indirect cost ratio for the Fund of 0.95% p.a. of the net asset value of the Fund.

## 7. HOW MANAGED INVESTMENT SCHEMES ARE TAXED

Your investment in a managed investment scheme is likely to have tax consequences, which in general will occur on an annual basis even if you do not change your investment. The Fund will typically distribute all its taxable income each year so the Fund is not required to pay tax on behalf of Investors. As an Investor you will be assessed for your share of any tax on any income and capital gains generated by the Fund, even if your income entitlement is not paid to you but reinvested back into the Fund. In normal circumstances, you should expect that some income and/or capital gains

will be generated each year. Tax may also be payable on withdrawals. The Fund will not pay tax on behalf of Investors. As tax matters for managed investment schemes are complicated, you are strongly advised to seek your own professional tax advice.

You will be issued with a taxation statement annually which sets out relevant taxation information.

## Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act ("FATCA") is US legislation targeting US tax residents who do not correctly disclose their worldwide income to the US Internal Revenue Service ("IRS"). Pursuant to FATCA, from 1 July 2014, institutions defined as 'foreign financial institutions' will be required to comply with certain requirements including the provision of information to the IRS. The information will only relate to Investors whom we identify as US residents or those whose residency we cannot identify due to insufficient information being provided ("non-compliant account holders"). Non-compliant account holders may be subject to a 30% withholding tax on part or all of the payments it receives from US sources.

On 28 April 2014, the Governments of Australia and United States signed and released an intergovernmental agreement ("IGA"), to minimise the impact of FATCA on Australian stakeholders. Being a 'Model 1' IGA the agreement should provide significant benefits to Australian financial institutions permitting them to report indirectly to the Australian Taxation Office ("ATO"), rather than requiring Australian financial institutions to report directly to the IRS. We intend to comply with the terms of the IGA and FATCA. Accordingly, there should be no obligation for us to withhold tax for FATCA purposes from any payments.

On the same day that the IGA was released, Treasury released (for consultation) an exposure draft of amendments to Australian tax administration legislation to facilitate the information gathering and exchange process that is required under the IGA.

Once the Australian and US Governments have settled the FATCA compliance regime as it relates to Australian stakeholders, we will contact you to obtain any additional identity information.

## 8. HOW TO APPLY

In order to apply, you must:

- Read this PDS which is available at [www.folkestone.com.au](http://www.folkestone.com.au) and at [www.oneinvestment.com.au](http://www.oneinvestment.com.au) or by calling the responsible entity on 02 8277 0001.
- Read the application booklet and complete the Application Form available at [www.folkestone.com.au](http://www.folkestone.com.au) and at [www.oneinvestment.com.au](http://www.oneinvestment.com.au) or by calling the Responsible Entity on 02 8277 0001.
- Invest a minimum of \$5,000 in the Fund. See Section 2 of this PDS for the calculation of Unit pricing.
- Send your Application Form and investment amount to us via the address on that form.

Please note that as part of the application process we are required by law to verify your identity before accepting your application. Please refer to the Anti-Money Laundering and Counter-Terrorism Financing Act information in the application booklet which can be accessed on the OMIFL and the Folkestone Maxim websites.

## Cooling-off Period

A 14-day cooling-off period applies to your investment. Your cooling-off period commences on the earlier of the date on which you receive confirmation of your investment in the Fund and the end of the fifth day after we issue your Units to you.

If you notify us of your wish to withdraw your investment in writing during your cooling-off period, then we will return your money to you and no fees will apply. However, if your Units have already been issued to you, then they will be redeemed at the Unit price on the day of the redemption which may be different (higher or lower) to the price which they were issued. There may also be some tax consequences which arose during the holding period (however brief).

## Complaints

If you feel we are not dealing with you as you would like, you can make a complaint to us by calling 02 8277 0001 and we will attempt to resolve your complaint. We are a member of the Financial Ombudsman Service. If you are not satisfied with our response to your complaint, then you may wish to pursue the matter further with the Financial Ombudsman Service, which can be contacted toll free on 1300 780 808 or you can visit its website at [www.fos.org.au](http://www.fos.org.au) for further information.

## 9. ADDITIONAL INFORMATION

### Significant Documents

You should read and consider this PDS before making an investment decision.

The Constitution and Compliance Plan are the constituent documents setting up the Fund. A copy of those documents may be obtained from OMIFL.

In addition, OMIFL has entered into an Investment Management Agreement with the Investment Manager, to provide certain investment services to the Fund. These services include:

- the identification and acquisition of assets consistent with the Fund's investment mandate;
- keeping all Fund assets under review and monitoring their performance; and
- using reasonable endeavours to achieve the investment objectives for the Fund.

The Investment Management Agreement contains provisions dealing with matters such as the Investment Manager's obligations to report to the Responsible Entity and the agreement sets out the fees payable to the Investment Manager for these services.

The Investment Management Agreement is for a period of 5 years, however, may be terminated by the Responsible Entity in certain circumstances including for material breach, material and consistent underperformance or insolvency of the Investment Manager. Subject to the terms of the Investment Management Agreement, the Investment Manager may terminate the Investment Management Agreement by providing 60 Business Days' notice.

## Related Party Transactions and Conflicts of Interest

In our position as responsible entity of the Fund, we may from time to time face conflicts between our duties to the Fund as responsible entity, our duties to other funds we manage and our own interests. We will manage any conflicts in accordance with our conflicts of interest policy, the Constitution, ASIC policy and the law.

We may from time-to-time enter into other transactions with other related entities. All transactions will be effected at market rates or at no charge, and in accordance with the Corporations Act.

The Investment Manager of the Fund is not a related party of OMIFL. The contractual arrangements between OMIFL and the Investment Manager are negotiated at arm's length between parties.

The Fund may invest in Folkestone (an ASX listed entity) or other A-REITs managed by Folkestone and/or members of the Folkestone Group. Folkestone has a Conflict of Interest and Related Party Transaction Policy and a Folkestone Entity Share Trading Policy which ensures all transactions engaged by Folkestone Maxim are "arms' length" transactions based on appropriate commercial terms and are assessed for any conflict of interest and insider trading.

## Privacy

Please refer to the "Privacy" section of the Application Booklet and to OMIFL's Privacy Policy, which is available on its website at [www.oneinvestment.com.au](http://www.oneinvestment.com.au), for information on how we collect, handle and disclose your personal information.

## Continuous Disclosure

If the Fund becomes a disclosing entity, as provided in the Corporations Act, it will be subject to reporting and disclosure obligations. At all times during which the Fund is a disclosing entity, OMIFL will comply with its obligations under the Corporations Act and ASIC's good practice guidance in satisfying its continuous disclosure obligations via website notices. Information and continuous disclosure notices for the Fund will be available by going to [www.oneinvestment.com.au](http://www.oneinvestment.com.au). Copies of financial reports may also be obtained from, or inspected at any ASIC office, or on request.

## GLOSSARY

The following terms in the PDS have the meanings set out below:

**Administrator** – FundBPO Pty Ltd ABN 81 118 902 891

**AFSL** – Australian Financial Services Licence

**Application Form** – An application form for the Fund which is available in the application booklet which accompanies the PDS on the websites at [www.folkestone.am.com.au](http://www.folkestone.am.com.au) and [www.oneinvestment.com.au](http://www.oneinvestment.com.au).

**A-REIT** – Australian real estate investment trust listed on the ASX

**ASIC** – The Australian Securities and Investments Commission

**ASX** – ASX Limited ACN 008 624 691 or the market operated by it, as the context requires.

**Business Day** – A day on which banks are open for business in Sydney, excluding Saturday, Sunday or public holidays

**Constitution** – The constitution of the Fund dated 5 August 2005 as amended or replaced from time to time

**Compliance Plan** – The compliance plan for the Fund as amended from time to time

**Corporations Act** – Corporations Act 2001 (Cth) and Corporations Regulations 2001 (Cth), as amended from time to time

**Derivatives** – Has the meaning set out in section 761D of the Corporations Act

**Distribution Period** – Has the meaning given in the Constitution, being each quarter ending on 31 March, 30 June, 30 September and 31 December each year

**Folkestone** – Folkestone Limited ABN 21 004 715 226

**Folkestone Group** – Folkestone and its related entities

**Fund** – Folkestone Maxim A-REIT Securities Fund – ARSN 116 943 563

**Fund's Investments** – Any investment by the Fund in listed domestic A-REITs and real estate related securities and international real estate related securities, index futures, index options, options over listed securities, fixed interest products, selected by the Investment Manager from time to time

**GST** – Goods and services tax as defined in A New Tax System (Goods and Services Tax) Act 1999 as amended from time to time

**Investment Management Agreement** – The agreement between OMIFL and Folkestone Maxim pursuant to which Folkestone Maxim will provide certain investment management services to the Fund

**Investor** – Holders for the time being of Units in the Fund

**IDPS** – Investor directed portfolio service

**Investment Manager or Folkestone Maxim** – Folkestone Maxim Asset Management Limited ABN 25 104 512 978, AFSL 238349

**Net Asset Value** – Has the meaning given in the Constitution

**PDS** – This Product Disclosure Statement

**REIT** – Real estate investment trust

**RITC** – Reduced Input Tax Credits

**Unit** – An undivided share in the beneficial interest in the Fund

**We, us, our, OMIFL or Responsible Entity** – One Managed Investment Funds Limited ABN 47 117 400 987, the responsible entity of the Fund

**You and your** – Investors who apply for and receive Units in the Fund